

Message Text

CONFIDENTIAL

PAGE 01 STATE 113550
ORIGIN SS-25

INFO OCT-01 ISO-00 SSO-00 /026 R

DRAFTED BY IO:CRFRANK, JR.
APPROVED BY IO:CRFRANK, JR.
S/S - TGMARTIN
DESIRED DISTRIBUTION
IO DISTRIBUTION ONLY

-----018613 041556Z /42

O 041521Z MAY 78
FM SECSTATE WASHDC
TO AMEMBASSY VIENNA IMMEDIATE

C O N F I D E N T I A L STATE 113550

STADIS/////////////////////////////////
EXDIS USIAEA FOR ASSISTANT SECRETARY C.W. MAYNES ONLY.

E.O. 11652: GDS

TAGS: EGEN

SUBJECT: MEMO TO THE SECRETARY: THE ECONOMIC SUMMIT AND
THE NORTH/SOUTH CONNECTION.
FOR MAYNES FROM FRANK--REPLY THIS CHANNEL FOR IO ONLY
1. BELOW IS THE TEXT OF THE LATEST VERSION OF THE PROPOSED
MEMORANDUM TO THE SECRETARY ON THE ECONOMIC SUMMIT AND THE
NORTH/SOUTH CONNECTION. THERE SEEMS TO BE LITTLE SUPPORT
FOR EITHER THE FIRST OR THE SECOND SUGGESTIONS CONTAINED
IN THE MEMORANDUM BELOW. EUR/RPE FEELS THAT THE THIRD AND
FOURTH SUGGESTIONS ARE EXCELLENT AND WOULD PROBABLY BUY-ON
TO THE MEMORANDUM WITH THOSE SUGGESTIONS ONLY. WE MIGHT
EVEN BE ABLE TO GET EB ON BOARD.

I WOULD APPRECIATE ANY COMMENTS YOU HAVE AS SOON AS
POSSIBLE.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 113550

BEGIN TEXT

2. BACKGROUND:

A. MANY DEVELOPING COUNTRIES PERCEIVE THAT THE IMPORTANT
DECISIONS WHICH AFFECT THEIR ECONOMIC HEALTH ARE MADE IN

THE BRETTON WOODS INSTITUTIONS WHERE WEIGHTED VOTING PREVAILS OR INSTITUTIONS OR MEETINGS OUTSIDE THE UN SYSTEM

SUCH AS THE GATT OR THE OECD OR ECONOMIC SUMMITS WHERE THEY HAVE LITTLE OR NO VOICE.

B. WE HAVE ALREADY ADJUSTED THE VOTING STRUCTURES OF THE IMF AND IBRD TO INCREASE LDC, ESPECIALLY OPEC, REPRESENTATION IN A MANNER CONSISTENT WITH THEIR GROWING ECONOMIC IMPORTANCE. IT IS GIVING LDC'S A GREATER VOICE IN POLICY AND DECISION MAKING IN THESE INSTITUTIONS WITHOUT CHANGING THEIR NATURE AND UNDERMINING THEIR PURPOSE.

C. THE OECD IS ALREADY GENERALLY CONSIDERED TOO LARGE AND THE INTERESTS OF ITS SUB-ORGANS TEND TO BE TOO SPECIALIZED FOR MOST LDC'S. WE ARE, HOWEVER, ACTIVELY PURSUING WAYS TO INVOLVE THE LARGER AND MORE ADVANCED LDC'S SUCH AS BRAZIL IN THE WORK OF THE OECD. WHILE THERE IS MUCH TO BE GAINED FROM A SUBTLE AND MEASURED APPROACH TO THE GRADUATION CONCEPT, IT MUST BE DONE WITH CONSIDERABLE DISCRETION TO AVOID LDC SUSPICIONS THAT THIS IS MERELY AN EFFORT TO UNDERMINE G-77 SOLIDARITY.

D. THE ECONOMIC SUMMITS OF THE BIG SEVEN, NOW BECOMING INSTITUTIONALIZED, ARE IN G-77 EYES THE MOST CONCENTRATED, DRAMATIC, AND SYMBOLIC EXERCISE OF INTERNATIONAL ECONOMIC CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 113550

POWER AND DECISION MAKING WHICH AFFECTS THEM DEEPLY BUT FROM WHICH THEY ARE EXCLUDED. THE EFFORT OF THE HEADS OF GOVERNMENTS TO HARMONIZE THEIR POLICIES ON GROWTH AND AGGREGATE DEMAND, TRADE, EXCHANGE RATES, FISCAL AND MONETARY POLICIES AND PRICE LEVELS OF THE SEVEN COUNTRIES ACCOUNTING FOR THE GREATER PART OF TRADE AND FINANCIAL FLOWS IN THE FREE WORLD HAS A MUCH GREATER IMPACT ON INDIVIDUAL LDC'S THAN ALL OTHER ECONOMIC DECISIONS MADE IN THE UN COMMUNITY. NOT ONLY THE LDC'S BUT MANY OF THE SMALLER INDUSTRIAL COUNTRIES ALSO FEEL LEFT OUT.

E. PRESIDENT CARTER INDICATED HE WOULD DECLINE AN INVITATION TO ATTEND THE JAMAICA NORTH/SOUTH SUMMIT BECAUSE IT CAME AT THE WRONG TIME AND THE WRONG PLACE AND FOR THE WRONG REASONS. BUT THE CONTINUATION OF AN INDUSTRIALIZED SUMMIT WITHOUT ANY DEMONSTRATION OF U.S. WILLINGNESS TO HAVE A NORTH/SOUTH MEETING OF HEADS OF STATE WILL SURELY REINFORCE THE SUSPICION OF THE DEVELOPING COUNTRIES THAT THE U.S. WANTS THE BIG INDUSTRIALIZED COUNTRIES TO MAKE THE IMPORTANT DECISIONS ABOUT THE WORLD ECONOMY WITHOUT THE PARTICIPATION OF LDC REPRESENTATIVES.

3. PURSUING THE NORTH/SOUTH CONNECTION:

A. THERE ARE A NUMBER OF WAYS THAT WE CAN ATTEMPT TO MINIMIZE ANY NEGATIVE IMPLICATIONS OF THE BONN SUMMIT ON OUR NORTH/SOUTH POLICIES.

B. FIRST, WE CAN HIGHLIGHT THE NORTH/SOUTH ISSUE IN THE BONN COMMUNIQUE AND SIGNAL SOME MOVEMENT ON ISSUES OF CONCERN TO DEVELOPING COUNTRIES. FOR EXAMPLE, WE MIGHT TAKE A POSITIVE STEP TOWARD ACCOMMODATION ON THE COMMON FUND ISSUE. A SEPARATE MEMORANDUM WHICH SUGGESTS HOW THIS MIGHT BE DONE IS BEING SENT TO YOU.

C. SECOND, A REPRESENTATIVE OF LDC VIEWS COULD BE INVITED
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 113550

TO THE SUMMIT TO PARTICIPATE IN INFORMAL DISCUSSIONS WITH THE HEADS OF STATE. FOR EXAMPLE, SECRETARY GENERAL WALDHEIM OR THE NEW UN DIRECTOR GENERAL FOR DEVELOPMENT, KENNETH DADZIE, COULD BE ASKED TO ATTEND A BRIEF SESSION WITH THE HEADS OF STATE. ALTERNATIVELY OR ADDITIONALLY WE MIGHT CONSIDER INVITING WILLY BRANDT TO PROVIDE THE SUMMIT PARTICIPANTS WITH A REPORT ON THE CURRENT STATE OF THE BRANDT COMMISSION'S WORK. EUR POINTS OUT, HOWEVER, THAT HELMUT SCHMIDT MIGHT HAVE SERIOUS PROBLEMS IN INVITING POLITICAL RIVAL BRANDT TO A SUMMIT SESSION.

D. THIRD, ONE OF THE SUMMIT PARTICIPANTS, PROBABLY HELMUT SCHMIDT OR FOREIGN MINISTER GENSCHER AS REPRESENTATIVE OF THE HOST GOVERNMENT COULD PROVIDE A PRIVATE, INFORMAL BRIEFING FOR G-77 LEADERS ON THE RESULTS OF THE SUMMIT. AN OPPORTUNE TIME TO DO THIS MIGHT BE SEPTEMBER IN NEW YORK WHEN GENSCHER COULD BRIEF SELECTED FOREIGN MINISTERS FROM LDC'S AT THE TIME OF THE UN GENERAL ASSEMBLY.

E. FOURTH, THERE MIGHT BE AN ATTEMPT TO COORDINATE THE INDUSTRIALIZED COUNTRY VIEWS ABOUT FUTURE NORTH/SOUTH SUMMITS SUCH AS THE PROPOSED JAMAICA SUMMIT. HELMUT SCHMIDT AND PIERRE TRUDEAU MIGHT GIVE A SHORT REPORT ON THE JAMAICA SUMMIT. WE MIGHT SUGGEST THAT IN THE FUTURE, WE AGREE AMONG THE KEY INDUSTRIALIZED COUNTRIES ON THE DESIDERATA FOR ACCEPTANCE OF FUTURE SUMMIT INVITATIONS SUCH AS THAT OF MANLEY. FOR EXAMPLE, WE MIGHT AGREE THAT NORTH/SOUTH SUMMIT INVITATIONS WOULD BE ACCEPTED ONLY IF A SERIOUS AND SPECIFIC PROBLEM REQUIRES THE TIME AND ATTENTION OF HEADS OF STATE OF DEVELOPED AND DEVELOPING COUNTRIES.

F. WE BELIEVE THAT THE ABOVE FOUR SUGGESTIONS MIGHT USE-
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 113550

FULLY BE DISCUSSED AT THE NEXT PREPARATORY SESSION FOR
THE SUMMIT. END TEXT CHRISTOPHER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC COOPERATION, SUMMIT MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 04 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE113550
Document Source: CORE
Document Unique ID: 00
Drafter: CRFRANK, JR.
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780190-1115
Format: TEL
From: STATE
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780592/aaaadawb.tel
Line Count: 177
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4fda98a4-c288-dd11-92da-001cc4696bcc
Office: ORIGIN SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: ONLY, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: ONLY, STADIS
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 18 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2791045
Secure: OPEN
Status: NATIVE
Subject: MEMO TO THE SECRETARY: THE ECONOMIC SUMMIT AND THE NORTH/SOUTH CONNECTION. FOR MAYNES FROM FRANK--
REPLY THIS CHANNEL FOR IO O
TAGS: EGEN
To: VIENNA
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4fda98a4-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014